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## Judiciary Committee

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### HB 1845

**Title:** An act relating to medical support obligations.

**Brief Description:** Concerning medical support obligations.

**Sponsors:** Representatives Rodne and Pedersen; by request of Department of Social and Health Services.

#### Brief Summary of Bill

- Allows a court to order an obligated parent to provide medical support for a child by providing health insurance coverage through the parent's employer or, if no employer insurance is available, through cash medical support.
- Establishes procedures for the Department of Social and Health Services (DSHS) to enforce medical support obligations by requiring the obligated parent to pay the other party a proportion of the health insurance premium paid by the other party or by the state.
- Allows the DSHS, when the child is on Medicare and the DSHS is enforcing medical support obligations, to disburse amounts collected from an obligated parent to the other parent or to retain amounts and apply them toward the cost of providing the child's state-funded medical coverage.

**Hearing Date:** 2/16/09

**Staff:** Trudes Tango (786-7384)

#### Background:

As a condition of receiving federal funds for various programs, federal law requires states to have an approved child support program. As part of their program, states are required to take steps to provide for a child's health care coverage as part of any child support order. Federal regulations adopted in July of 2008 require states to: (1) consider health insurance available to

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either parent at the time of entering a support order; and (2) require an obligated parent to pay a cash medical support obligation if that person does not have health insurance available.

The regulations also define a reasonable cost for health insurance as 5 percent of a parent's gross income or a comparable standard determined by the state. A cash medical support obligation may require the parent to pay a proportional amount of an insurance premium paid for private insurance by the other parent or an amount paid by the state to cover the child under Medicaid. If the child is covered by the state through Medicaid, the parent's proportional share may be retained by the state as reimbursement, or it may be passed through to the parent for payment of medical expenses. If no insurance is available, the parent must be required to contribute to the uninsured expenses of the child.

Under state law, the court must require either or both parents to provide health insurance coverage for the child if coverage is or becomes available through the parents' employer and the cost is less than 25 percent of the obligated parent's basic child support obligation. The court may also provide for the uninsured medical costs of the children.

Health insurance coverage is enforced by the Department of Social and Health Services (DSHS) through a standardized notice developed by the federal government called the "National Medical Support Notice." When a notice is issued to an employer, the employer must respond. If health insurance is available, the employer must withhold the necessary premium and forward the notice to a health insurance provider. The provider is required to enroll the children in health care coverage.

#### **Summary of Bill:**

The court may require either or both parents to provide medical support for any child named in the support order in the following order of priority:

- The obligated parent must provide health insurance coverage if it is available through the parent's employer and costs less than 25 percent of the parent's basic child support obligation.
- If the cost is greater than 25 percent, the court may still order the obligated parent to provide coverage if it is in the best interest of the child or children.
- If no coverage is available to the obligated parent, the obligated parent must pay cash medical support equal to the parent's proportionate share of the health insurance premium paid by the other party or by the state if:
  - (1) the child is covered by private insurance provided by the other party or by Medicaid; and
  - (2) the amount does not exceed 25 percent of the parent's basic child support obligation.
- Each parent must pay his or her proportionate share of uninsured medical expenses.

These provisions also apply to administrative support orders established through the DSHS.

The DSHS will first seek to enforce health insurance coverage against an obligated parent. If coverage is not available, the DSHS will enforce a cash medical support obligation. If a sum certain amount is not specified in the order for cash medical support, the DSHS may serve notice

on the parent to determine the amount. Parties may seek enforcement of a medical support obligation on their own through the superior court.

When cash medical support is collected and the child is on Medicaid, the DSHS may retain the funds as reimbursement or pass through the funds to the parent for medical costs. A receiving parent may be required to account for how cash medical support is being used to benefit the child. Enforcement of health insurance coverage using the National Medical Support Notice is limited to enforcing coverage against the obligated parent.

A parent required to provide health insurance coverage must notify the DSHS and the other parent when coverage terminates.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on October 1, 2009.